



U.S. Department of  
Transportation

Office of the Secretary  
of Transportation

GENERAL COUNSEL

400 Seventh St., S.W.  
Washington, D.C. 20590

71146

991207-  
028

OST 99-6410-22

December 21, 1999

Sara F. Harloff, CTC  
Travel Consultant  
A Team Travel  
290 California Avenue  
Reno, Nevada 89509-1621

Dear Ms. Harloff:

Your letter to Secretary Slater of December 1, 1999, has been referred to the General Counsel's Office. In your letter, you express support for the American Society of Travel Agents' formal complaint in Docket OST-99-6410 against various airlines. ASTA alleges that in cutting the commissions that they pay travel agents, the airlines are engaging in unfair practices and unfair methods of competition in violation of 49 U.S.C. §41712.

Under the Department's *ex parte* rules, 14 CFR Part 300, we cannot comment on the substance of your letter. We will, however, see that it and a copy of this response are placed in the docket.

Sincerely,

Betsy L. Wolf  
Senior Trial Attorney  
Office of Aviation Enforcement and Proceedings

cc: Docket OST-99-6410

RECEIVED  
DEPT OF TRANSPORTATION  
JAN 27 PM 3:57

#:S10991207-028  
PAGE #:1  
12/07/1999  
15:30

OFFICE OF THE SECRETARY OF TRANSPORTATION  
EXECUTIVE SECRETARIAT

*Belton:  
Rec'd  
Docket*  
*12/70*

Document S10-CORR NO: 50172		CONTROL #: S10991207-028	Dated 12/01/1999	Due
Action Office: C-1			Multi: N Writer:  SARA F. HARLOFF TRAVEL CONSULTANT A TEAM TRAVEL 290 CALIFORNIA AVENUE RENO, NV 89509-1621	
ACTION:  PLEASE TAKE ACTION AS INDICATED BELOW				
Subject: CODE SHARE, JOINT MARKETING AGREEMENTS AND ANTITRUST IMMUNITY				
ASSIGNED	DATE	REASON	DUE DATE	RETURNED
C-1	12/07/1999	FOR APPROPRIATE HANDLING		

Comments:  
SWASHING

DIST: S-10, S-3, P

- 12/07/1999

IF YOU ARE UNABLE TO PROVIDE THE REQUIRED INFORMATION, PLEASE ADVISE YOUR ANALYST NO LATER THAN 24 HOURS AFTER THE RECEIPT OF THIS DOCUMENT. THIS SHEET MUST REMAIN WITH THE INCOMING DOCUMENT AND BE RETURNED WITH YOUR RESPONSE. OUR PROMPT ACTION IS APPRECIATED. FOR MORE INFORMATION, PLEASE CONTACT, SANDY WASHINGTON, 366-9757

*SW*  
*12/7*



December 1, 1999

United States Department of Transportation  
Office of the Secretary  
**ATTN - Rodney Slater**  
400 Seventh Street, SW  
Washington DC 20590

**RE:** Code Share, Joint Marketing Agreements and Antitrust Immunity

Dear Mr. **Slater**,

I know that **ASTA** (American Society of Travel Agents) has written you regarding the above issues. Now I am going to put another thorn in your side with my two bits. I know you are a busy man, but I sincerely hope you will read this and do some deep thinking and soul searching.

Bit by bit the airlines are trying to make the brick and mortar retail travel agencies a memory. But like it or not, they are "shooting themselves in the **foot**". The **internet** sites operated by the airlines and the on-line sites such as **Priceline.com**, etc. are not honest operations. In print, which I am sure you yourself have read, these sites admit they will not make money! They intend to make their money from advertisers on their sites. I could tell you horror stories of calls I receive from people, that are not my customers, regarding reservations and tickets purchased **from internet** sites, including the airlines. These **internet** sites do not inform the customer in the same manner done so by real live travel consultants. Nor do these sites offer the lowest **fare** for the traveler, because the consumer doesn't have the foggiest idea what the best fare even is! The consumer has been lead to believe the web site fare is the best.

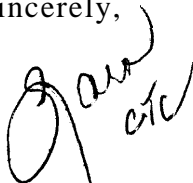
What the DOT has allowed the airlines to get away with "code share" and "joint marketing" is nothing but a **farce** and rip **off**! Attached you will find an EXCELLENT example **of just** what a farce it is. Now, if you did read the attached, does **KLM** Royal Dutch Airlines not really exist? NOT! And as a travel consultant, a professional, I try to explain all this garbage to the traveler and they soon have glazed over eyes, that have started to water! This code share and alliance stuff is even confusing to the airlines themselves. I have called "**code** share" airlines to inquire to exactly which carrier is the passenger to check in with for departure. Get a load of this, **50%** of the time, the airlines has NO IDEA. What a trip that is when one is **dealing** with an international itinerary. Plus, you are aware, **Lordy** I hope so, that these alliances require their "partners" commission is based on what the US. carrier has set!

Retail travel agencies that book **80%** of the passengers, are being forced to close by airlines that continue to cut commissions and treat the consumer like trash. Why is it, the US Government has allowed the airlines to make mincemeat of the retail travel agency YET you also require we have to advise the consumer of every hairbrained "advisor" on the **face** of the earth! By advisor, I mean the code share junk and passport number, contact phones, etc.! Hey Rodney, these are the airline requirement and shouldn't **fall** on my shoulders. The reach I advise my clients, I'm a professional, which the airlines

aren't! Example: The airlines has **cancelled**, or overbooked a flight, the consumer checks in one hour prior and the airline informs the consumer 'Your travel agent changed your reservation.' and proceeds to info the consumer of their new reservation! **Yah**, right, the travel agent changed the reservation, caused the mechanical, **cancelled**, overbooked flight, lousy food and service and lost luggage.

Granted some of what I have mentioned here doesn't apply to "your department", but a chunk of it does. You have the means and authority to change what is wrong. Now do you and your department protect the consumer or the airlines, by allowing them to cut travel agency commissions below a living wage?

Sincerely,

A handwritten signature in black ink, appearing to read 'Sara' with a large flourish and 'etc' written below it.

Sara F. Hakloff, CTC  
Travel Consultant

sfh

NW/KL INTEGRATION EN 6OCT99 1553Z

-----  
NW/KL INTEGRATION 06OCT1999

-----u--(--u-----

UPDATE 14OCT1998 MS9  
NEWS 06OCT1999 MS40  
NW/KL INTEGRATION 14OCT1998 MS47  
\*QUESTIONS AND ANSWERS 14OCT1998 MS63

-----  
NW/KL INTEGRATION UPDATE 17JUN98

\*

EXCHANGES

\*

**EFFECTIVE JULY 1 1998** ALL AGENCIES IN NORTH AMERICA REISSUING  
UNUSED EXCHANGEABLE **KLM 074** TICKETS MUST BE ISSUED ON NORTHWEST  
**012** TICKETS. REISSUING TO **KLM 074** IS NOT PERMITTED. THESE  
EXCHANGE TRANSACTIONS SHOULD BE INCLUDED IN THE **AGENCY'S** WEEKLY  
**ARC/BSP SALES REPORT** WITH THE REQUIRED EXCHANGE DOCUMENTS.

\*

ARC AGENTS USING **IAR** ELECTRONIC **REPORTING** WILL NOT BE ABLE TO  
INCLUDE THESE **NORTHWEST/KL** TRANSACTIONS IN THEIR WEEKLY **IAR**  
SALES REPORT. THESE EXCHANGES MUST BE **REPORTED** TO ARC IN A  
MANUAL WEEKLY SALES REPORT.

\*

REFUNDS

**EFFECTIVE 30SEP98** REFUNDS OF **KLM 074** REFUNDABLE TICKETS MUST BE  
SENT DIRECTLY TO\*

**KLM ROYAL DUTCH AIRLINES**

REFUND DEPARTMENT

**565 TAXTER ROAD**

**ELMSFORD NY 10523-0903**

**ARC/BSP** WILL NOT PROCESS **KLM\*074\*** REFUNDS.

\*

VALIDATION GUIDELINES

\*

ALL DOCUMENTS HISTORICALLY VALIDATED **KLM 074** MUST BE VALIDATED  
NORTHWEST **012**. **EFFECTIVE JULY 1 1998** **ARC/BSP/ARP** WILL NOT  
PROCESS DOCUMENTS VALIDATED **KLM 074**.

\*

-----  
INTEGRATION NEWS 20APR98

\*